

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 68 – HB 224

May 1, 2017

SUMMARY OF ORIGINAL BILL: Extends the termination date of the Department of Children's Services (DCS) to June 30, 2021. Under the *Tennessee Governmental Entity Review Law*, the Department is scheduled to terminate on June 30, 2017. Requires the Department to update the Government Operations Joint Evaluation Committee on Education, Health, and General Welfare by December 31, 2017, on the Department's progress addressing the November 2016 Performance Audit Report findings.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008110): Adds a section to the proposed legislation requiring DCS to maintain and operate a multi-level youth development center (YDC) in each grand division of the state and to provide the appropriate services to children committed to its custody pursuant to titles 33, 34, 37, and 39.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – \$3,861,700

Assumptions for the bill as amended:

- This legislation continues an existing entity at its current funding level.
- According to the Governor's Recommended Budget Document for FY17-18 (page B-192), total recommended funding for DCS for FY17-18 is \$782,981,000 (\$311,781,000 state; \$166,732,000 federal, and \$304,468,000 other).
- The DCS reports that it currently has 28 contracts for services related to the operation of YDCs. According to DCS, the savings realized by the state for these contracts is \$3,861,700 relative to DCS providing the services.
- Under the proposed legislation, the DCS could not enter into contracts for those services. DCS would have to provide these services.
- The proposed legislation will increase recurring state expenditures by \$3,861,700.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm